
Steel price rises as cost hikes and demand picks up - CISA

Thursday, 16 Jul, 2009

Securities Daily reported that Chinese steel market is bottoming out with prices rising continuously.

According to the report, steel prices and production are both on the rise in China amid the surging investment growth and global steel market is also turning better with steel price indices all posting uptrend except for those in North America. Chinese government's investment in infrastructure also contributed to the price rise.

Mr Qi Xiangdong deputy secretary general of China Iron & Steel Association said the cost hikes and demand pickup are the main reason behind the price upturn.

Mr Qi said prices for flat products in global market surged nearly 15% on month in July. And steel prices are mainly determined by supply and demand situation as well as market expectations.

Mr Qi noted that "In fact, both upstream and downstream industries made a profit in the H1 except for steel sector, therefore, it's time for steel prices to rise and the rise is not so crazy as market described."

As a whole, steel market in China would move up in the second half after falling down in the first but the upward foundation is not so solid which made interim fluctuations possible.

(Sourced from Securities Daily)

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